

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE		PAGE 1 OF 21 PAGES	
2. AMENDMENT/MODIFICATION NO. 0003		3. EFFECTIVE DATE 05/23/2014		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY Internal Revenue Service 6009 Oxon Hill Road, Suite 500 Oxon Hill, MD 20745 DIANNE L GOOSBY 240-613-8137		CODE 12163		7. ADMINISTERED BY (If other than Item 6) See Item 6		CODE	
8. NAME AND ADDRESS OF CONTRACTOR (No. Street, county, State and ZIP: Code) Vendor ID: To All Offerors				(x)		9A. AMENDMENT OF SOLICITATION NO. TIRNO-14-R-00007	
				X		9B. DATED (SEE ITEM 11) 05/23/2014	
						10A. MODIFICATION OF CONTRACT/ORDER NO.	
						10B. DATED (SEE ITEM 13)	
CODE		FACILITY CODE					

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☒ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☒ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning ___1___ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATA SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and data specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(x)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. OTHER Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☐ is required to sign this document and return ___ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this amendment 0003 to IRS solicitation # TIRNO-14-R-00007 is to provide responses to vendor questions and revise pages 124, 127 and 17 of the solicitation (Three change pages have been provided).

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
		Dianne L. Goosby, Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		BY (Signature of Contracting Officer)	

Vendor's Questions and Government's Responses to TIRNO-14-R-00007

1. The current due date is Memorial Day, Monday, May 26. We request an extension of three weeks, (June 16, 2014) for final response. The extension will have no material impact on our ability to deliver a solution in the timeframes outlined in the solicitation.

Government Response: The proposal due date is extended to Wednesday, June 11, 2014, 3:00 PM, EST.

2. Pg 14, Section B.2.5. The RFP states, "The Contractor will create a test plan." Can the Government describe the test plan? Since it is in the section on cost, does it relate to the vendor fees or the cost formula?

Government Response: The Contractor's (vendor's) test plan encompasses Payment IVR, Customer Service IVR, Web User Interface application, Mobile device applications, Daily/Monthly Reporting, and the 508 requirements. The goal of the test plans is to outline the approach as to how the applications will be tested for each Filing Season. The test plans do not relate to the vendor's fees or the cost formula.

3. Based on Table 1.4 on page 17, please share the following volume information where available:
 - a. Credit card transaction volumes – number of transactions
 - b. Debit card dollar volumes – dollar volume
 - c. Transaction volume and dollar volume of personal credit cards (individuals)
 - d. Transaction volume and dollar volume of commercial credit cards (commercial/business)
 - e. Credit and debit card transactions initiated via web, IVR or call center (personally assisted transactions)

Government Response: Based on Table 1.4, the above information cannot be shared since it is Confidential. The information comes from the current vendors (to IRS) and thus is not public information.

4. C.2.16 on page 20 of the solicitation (The contractor shall provide settled funds...) – Please further define this requirement and, where applicable, please provide an example.

Government Response: For example, if today was August 1st, the Contractor would need to provide the settled funds for any payments scheduled to settle between today and August 10th. If the payment is scheduled with a settlement date of September 15th, the Contractor would not provide the settled funds until September 5th.

5. Page 90, Information Systems and Information Security Controls section – Please further outline/define FISMA security level required for this contract. In Publication 4812, it indicates moderate "unless the contractor has staff-like access is one of the limited number of systems on the IRS FISMA Inventory." We are trying to determine if the electronic payments solicitation is applicable to moderate or high.

- a. If high, is it correct to assume the flow-down requirement is limited to the gateway portal and front-end processes that are capturing the transaction? If not, please clarify the flow-down requirements/guidelines.

Government Response: The IRS categorization for the contract is at the moderate risk level.

6. Pg 122, Section L.1.4.2 Submission of Proposal. In this section, it states that the vendor should submit 1 original and 3 copies of the business proposal. Later, on page 127 in Section 3 – Price Proposal, it states that the vendor should submit 6 copies of the business proposal and 1 original and 3 copies of the price proposal. The price schedule also is requested in Section 1 of the business proposal on page 127 under Section 1, (c)(2). Questions:

- a. Is Section 3 – Price Proposal part of Volume II – Business Proposal, or is it a separate binder?
- b. If Section 3 is a separate binder, does the IRS want the same pricing in both the Business Proposal and the Price Proposal?
- c. Does the IRS want 6 copies or 3 copies of the Business Proposal?

Government Response:

- a. The Price Proposal is a part of Volume II; the Business Proposal is a part of Volume II. The pricing information goes in Volume II, labeled Price Proposal. The business information goes in a separate binder labeled Business Proposal.
 - b. The Price Proposal and Business Volume II – the Price information goes in a separate binder. The Business information goes in a separate binder entitled Business Proposal, Volume II.
 - c. The Government is requesting 1 original copy and 3 copies of the Price Proposal and 1 original copy and 3 copies of the Business Proposal, a total of 6 copies.
7. Pg 125, Section 4 – Factor B: System Functionality and Usability. The offeror is unclear what is being requested in this section. Is the IRS looking for a narrative overview of our solution? If the offeror needs to answer specific requirements in the RFP, which RFP sections apply to Section 4?

Government Response: No, the IRS is not looking for a narrative overview. Instead the offeror shall provide a complete and thorough description on how the requirements will be satisfied (the requirements are in Section C.2 – Mandatory Business Requirements).

8. Does the IRS have any unique processing agreements with any of the card brands (Visa/MC)?

Government Response: No. IRS E-Payment Credit Card Program has no unique processing agreements with any of the card brands.

9. Page 4, Section B.2.1: The Base Year is stated as May 1, 2014 through April 30, 2015. The base year is stated as an eight month transition. Could you please provide clarity around the base year starting prior to RFP response due date and the full term of the contract?

Government Response: The estimated award date is May 1, 2015 through April 30, 2015, with four (4) option years.

10. Page 17, Section C.1.5: Can you please provide additional detail to the statement “IRS reserves the right to promote the Contractor(s) based on price, user experience, ...”. Can you please provide criteria used to select preferred vendor? Is the IRS abandoning the current practice of rotating the processors on the IRS.gov website? If so, what is the new selection process?

Government Response: The Government doesn't have preferred vendors for this requirement. The evaluation criteria are listed in the RFP for Offeror(s).

11. Page 26, Section C.3: Can you please confirm if the Quality Assurance Surveillance Plan will be provided to the contractor to complete or is the document itself a deliverable the contractor is expected to create?

Government Response: Offeror should refer to the TIRNO-14-R-00007 for a copy of the Quality Assurance Surveillance Plan on IRS.gov. The Government creates the QASP. The QASP is put in place to provide Government surveillance oversight of the Contractor's quality control efforts to assure that they are timely, effective and are delivering the results specified in the contract.

12. Can you please provide the following items that are not accessible in the RFP:

- a. A copy of all attachments from page 92.
- b. Please provide the 36 CFR 1194, Subpart D from page 50
- c. Accessibility Standards document, referenced multiple times including page 25

Government Response:

- a. The pdf files on page 92 are now accessible.
- b. 36 CFR 1194, Subpart D can be located at:
<http://www.access-board.gov/guidelines-and-standards/communications-and-it/about-the-section-508-standards/section-508-standards>
- c. Yes. The applicable standards and provisions are in full text in Section H.3 of the RFP.

13. Please provide clarification on:

- a. Page 75: CMMI software development prerequisite requirement.
- b. Page 125, Section 3: “test 508 solution against top 6 browsers” – which specific six browsers?

Government Response:

- a. The contractor must demonstrate CMMI Level 2 compliance. This should be in the contract for both solicitation and award.

All solicitations, contracts, task orders, delivery orders, interagency agreements, and Blanket Purchase Agreements (BPA) for software development will include the requirement for software development contractors to have achieved CMMI® - SW or CMMI® -DEV Level 2 or higher as a condition for award. If the acquisition is for commercial-off-the-shelf (COTS) products and will not involve software development, including customization of the product code, then the CMMI® -SW or CMMI® -DEV requirement will not apply.

- b. Information regarding the top browsers can be found in the following url:

http://www.w3schools.com/browsers/browsers_stats.asp or
http://en.wikipedia.org/wiki/Usage_share_of_web_browsers

14. Page 125, Section 3: 5 pages typed for 508c, is this 5 pages part of the technical proposal?

Government Response: Section 508 is a technical requirement, and it’s a part of the technical proposal. Offeror(s) must label this part – Section 508.

15. Section 1 – General – What is the maximum number of pages for business proposal?

Government Response: A Contractor’s audited annual financial statements should not exceed 30 pages. The Government is requesting two of the Offeror(s) most recently audited annual financial statements; the two should not exceed 60 pages.

16. Page 127, Section 3: Can the government clarify if the six (6) copies of the business proposal shall include the pricing proposal although the solicitation is requiring separate binders specifically for the price? *Section L.1.4.2.2 – Business Proposal, Section 3 – Pricing, The offeror(s) shall submit an original and three copies of their pricing proposal. Each paper copy of the price proposal shall be provided in a three ring binder to facilitate potential page changes. Each binder shall be marked on the front with the solicitation number, offeror(s) name and labeled “Price Proposal.” Offeror(s) shall provide one (1) electronic copy. The offeror(s) shall provide six (6) copies of their business proposals.*

Government Response: The Price Proposal and Business Proposal consist of Volume II. The Offeror(s) must submit one (1) original copy and three (3) copies of the Price Proposal,

and one (1) original copy and three (3) copies of the Business Proposal, a total of six (6) copies.

17. C.1.4 - Can the IRS provide the # of Transactions and dollars processed for last year by card type?

Government Response: The IRS can only provide the number of combined debit/credit transactions and dollars from last year.

18. C.1.4 - Can the IRS provide the # of Transactions and dollars processed for the last year by each current vendor or URL?

Government Response: No, because the current vendor information is Confidential.

19. Is “Entity Validation” available in any kind of real-time fashion (i.e. WebService, EDI-over-AS2), or is this ONLY available through batch EDI? If batch EDI only is the only option, does the IRS have a preferred EDI Network (VAN) that could help us onramp quickly (GXS, Inovis, Sterling Commerce, etc.), or do the other Contractors do EDI directly to the IRS without use of a VAN?

Government Response: “Entity Validation” is only available through batch EDI, per Credit Card Bulk Provider (CCBP) Requirements document. IRS does not have a preferred EDI network, please refer to the CCBP.

20. When taking the payment online, can we fully “charge” the card prior to entity validation (which appears to be an offline/EDI/batch process)? Or do we have to take the “Pre-auth” route online, only truly getting the money once the entity is validated?

Government Response: The “Pre-auth” route is recommended because of the possibility that the taxpayer’s entity information is not validated. If the Contractor fully “charges” the card prior to entity validation they would need to provide details of how and when funds would be credited back to the card if the entity could not be validated and payment is not able to be processed

21. C.2.16 states, “The Contractor shall provide settled funds where the payment transaction date is less than 11 days prior to the settlement date (cards only).” Can the IRS clarify or provide an example?

Government Response: For example, if today was August 1st, the Contractor would need to provide the settled funds for any payments scheduled to settle between today and August 10th. If the payment is scheduled with a settlement date of September 15th, the Contractor would not provide the settled funds until September 5th.

22. C.2.17 states, “The Contractor shall retain transaction logs for 72 months, the information in such logs shall include transaction type, date and time, credit card number (if

applicable), amount of transaction and approval/confirmation number.” In compliance with PCI requirements, the full credit card number can never be stored un-encrypted, will the last four of the credit card number suffice?

Government Response: Payment Credit Industry Requirements are outside IRS scope. The vendor should contact Payment Card Industry for guidance.

23. C.2.2 states, “The Contractor shall provide a system that allows a wide array of taxpayers’ (i.e., domestic, international) access for making federal income and business tax payments. All Interactive Voice Response (IVR) and Internet applications are required to provide taxpayers with a unique toll-free number and web address (URL) for the completion of federal payments only.” Can the IRS further explain “international taxpayers”?

Government Response: “International taxpayers” are businesses and individuals who are outside the U.S. but have an US federal tax liability.

24. C.2.27 states, “The Contractor shall exercise due diligence in notifying taxpayers of entity and payment rejections. Processes and procedures shall be documented and subject to IRS’s review and approval.” Can the proposer verify the entity before authorizing the card?”

Government Response: No. The taxpayer information and authorization need to be gathered prior to submitting entity validation.

25. C.2.29 states “The Contractor shall provide documentation to the Government before the program commences, of application test plans, test cases and test results and certification. Refer to C.8 Schedule of Performance.” What is this CERTIFICATION referring to here; CMMI level 2 certification, IRS/TPA Certification, or something else?

Government Response: We are unsure what you mean by “TPA Certification” because the E-Pay Credit Card Program requires “TFA Certification” (which is Bulk Provider certification from TFA). TFA Certification is what this is referring to in C.8 Schedule of Performance.

26. C.2.32 states “The Contractor shall also provide, if applicable, a monthly report of transaction requiring exception handling such as payments requiring annual [we assume you mean “MANUAL”] correction due to the entry of an erroneous taxpayer identification number (SSN/EIN) or tax year/tax period”. Define “manual correction”? By the contractor? By the end-user? (i.e. End-user gets an email and is requested to log in and correct something....May we assume THAT is NOT a “manual correction”, but simply part of the normal user workflow?).

Government Response: Yes, annual should be “manual”. “Manual correction” is defined as the end-user (IRS) performing a non-automated task(s) of the payment handling which is part of the normal user workflow. NOTE: The Contractor shall provide the report by the 5th day of each month to the COR.

27. C.2.32 states on reporting, “monthly reporting of transactions requiring exception handling such as payments requiring manual not annual correction due to the entry of an erroneous taxpayer identification number.” If transpositions of numbers, typographical errors, etc. occur, specifically what is the definition of exceptions handling? ALL incorrect taxpayer identification number entry? Can the IRS provide an example report?

Government Response: Exceptions handling is defined as transactions requiring manual correction (Refer to C.7.5). We cannot provide a report. However, the report is a spreadsheet identifying specific information such as SSN, person name, address, etc.

28. C.2.44 states, “All Federal Tax Information shall be segregated, logically and physically from any other work being handled or processed by the Contractor.” Definition of Infrastructure needed, does this mean, “Totally segment all servers, virtual environments, load balancer, workstations, laptops, firewalls, routers and switches from all other data in proposer’s current infrastructure /data?”

Government Response: Any media that is used to store, maintain, or process IRS information cannot be commingled with non IRS data. All IRS information being handled or processed by the contractor must be segregated from other work being performed either logically and/or physically.

The contractor shall ensure that media access is restricted to prevent hard copy media from being lost, stolen, or disclosed. In addition, electronic, optical, and other digitally maintained media shall be restricted to prevent unauthorized access.

Physical security shall be provided for a document, an item, or an area in a number of ways. These include, but are not limited to locked containers of various types, vaults, locked rooms, locked rooms that have reinforced perimeters, locked buildings, guards, electronic security information systems, fences, identification information systems, and control measures. How the required security is provided depends on the facility, the function of the activity, how the activity is organized, and what equipment is available. Proper planning and organization shall enhance the security while balancing the costs.

There is not a need to physically group the devices together but ensure that are physically devices for the IRS contract and if not to ensure that partitions/directories and or folders have been segregated to prevent the comingled of another company’s data with the IRS data and files.

Relative to logical separation, if databases are being used, must be able to demonstrate:

- All enterprise administrators must be cleared for access IRS data, as they have potential staff like access to the data
- All database administrators have been cleared for IRS access, as they have potential staff like access to the data
- Role-based level security controls must be implemented to ensure that only IRS personnel have access to IRS information

If database security controls are being maintained in a single database, there must be a mechanism to enable segregation of the data, such as an IRS indicator. In general, the IRS preference would be to use an independent database instance.

29. C.2.48 states, “The Contractor shall provide Weekly and Monthly Transaction Reports. The reports shall include volumes and dollars for individuals and businesses according to card issuer, as well as, whether these payments were credit or debit transactions. The Contractor shall provide this report in MS Excel (i.e., using current IRS version). Refer to C.7.3.” Can the IRS clarify whether it is requiring reports according to issuer (i.e., bank) or type of card (i.e., MasterCard, Visa, etc.)

Government Response: The IRS is requiring reports according to type of card.

30. C.2.51.2 Contractor Quality Control Plan - The Contractor shall develop a proactive QCP for measuring and attaining quality of performance under this Contract. The Contractor shall deliver the QCP with the Contractor’s proposal...” Can the IRS provide us with a copy of a typical Quality Control Plan?

Government Response: The QSAP is on page 92, of the RFP. A copy of the QASP can be located at www.IRS.gov, under Contracting Opportunities. A typical QCP can be located on the internet.

31. In section C.7.3 #3, the IRS requests “card issuer for debit and credit card”. Can you clarify if this refers to card brand (i.e., VISA, AMEX) or issuing bank?

Government Response: This refers to the card brand.

32. C.5.6 Chargebacks – Can the IRS provide information for last year on chargeback counts and amounts.

Government Response: No, the IRS cannot provide this information as it is Confidential.

33. L. 7 - Will the Procurement Office be open on Monday, May 26th (Memorial Day) for RFP Delivery?

Government Response: No. The due date for receipt of proposal is extended to June 11, 2014, 3:00 PM, EST.

34. What is the criterion for selecting a preferred vendor?

Government Response: The criterion for all Offeror(s) are listed in the RFP.

35. What are the definition and benefits of being a preferred vendor?

Government Response: The Government doesn't have a "preferred vendor." The Offeror(s) that best meets IRS E-Pay Credit Card Program requirements as set forth in the RFP will be the Successful Offeror(s).

36. Is it possible for the same vendor to be the preferred vendor for the entire length of the contract?

Government Response: All Offerors will be evaluated in accordance with the RFP requirements, with that being said, anything is possible. The Electronic Payment requirement is a full and open competitive acquisition. All Offeror(s) will have to compete in accordance with the solicitation requirements.

37. Please clarify the dates for the base year of the contract. The RFP states a starting date of May 1, 2014, however our existing contract was extended through May 1, 2015.

Government Response: The estimated award date is May 1, 2015.

38. Is the agency open to new payment channels (i.e., mobile app) and payment types (i.e. cash)?

Government Response: The agency is open to all payment channels listed in the RFP.

39. Will the agency allow different pricing for different payment channels and payment types?

Government Response: Yes, The agency will allow different pricing for different payment channels and payment types.

40. The published due date for the RFP is May 26, 2014, a federal holiday. Will the agency provide a new due date?

Government Response: The due date for receipt of proposals is extended to Wednesday, June 11, 2014, 3:00 PM, EST.

41. In Section III, Part J, there are some PDF attachments imbedded with instructions to double click to open file (page 92). However, I am not able to get any files to open, and it doesn't look like they're attached at the end either. Would you be able to direct me to where I could view the attachments?

Government Response: The pdf files are now accessible.

42. Page 26, Section C.3: Can you please confirm if the Quality Assurance Surveillance Plan will be provided to the contractor to complete or is the document itself a deliverable the contractor is expected to create?

Government Response: This Quality Assurance Surveillance Plan (QASP) is a Government developed and applied document used to make sure the systematic quality assurance methods are used in the administration of the Performance Based Service Contract (PBSC) standards included in this contract and in subsequent task orders. The intent is to ensure that the contractor performs in accordance with the performance metrics and the Government receives the quality of services called for in the contract.

43. Where is the mandatory 10-day training conducted and who is responsible for presenting that training?

Government Response: The training is not conducted in a location. New Contractors shall submit documents within 10 business days to IRS.

44. Are regulations and conditions of the contract expected to be met at signing or before January 1st launch?

Government Response: The Government has provided the applicable terms and conditions as set forth in the RFP. At contract award, the Contractor(s) agrees with the terms and conditions for the life of the contract.

45. Many vendor policies are confidential and therefore not delivered to third parties outside of vendor's control. Vendor has used a 'reading room' model that allows third party auditors access to a document and the ability to record the document name and version, and take notes regarding the compliance with the control. Is this model acceptable or must the Contractor deliver confidential policy to IRS in order to comply with the terms of this contract?

Government Response: The Government will not have access to Contractors' confidential policies; however, the Contractors must comply with the terms and conditions as set forth in the RFP.

46. Regarding the deposit account for taxpayer payments: is the Contractor to maintain and control two separate routing numbers, one for convenience fee and another for taxpayer funds? Or will the taxpayer funds be deposited by the Merchant Service Provider directly

into an account owned and controlled by IRS? The latter is an arrangement that Oracle has implemented previously.

Government Response: The taxpayer funds are deposited into the Contractor's account. The Contractor is responsible for depositing the funds into the Treasury Account as specified in the Credit Card Bulk Provider Requirements.

47. Does IRS intend to require a FISMA categorization of Moderate or High for this model?

Government Response: The IRS categorization for the contract is at the moderate risk level.

48. Does IRS require a solution that meets FEDRAMP certification?

Government Response: Whenever a contractor utilizes Information Technology (IT) cloud services, a FedRAMP certification is required, Federal Risk and Authorization Management Program (FedRAMP) is a government-wide program that provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services.

The following web site provides an overview of the FEDRAMP program and certified services: <http://www.gsa.gov/portal/category/102371>.

49. Are the terms of this RFP and subsequent contract negotiable?

Government Response: The terms in the RFP are not negotiable.

50. Page 18, Section C.2.5 - The Contractor shall provide only guaranteed payments to the Government for federal taxes owed. Funds shall be available in the Contractor's designated bank account one business day after the settlement file is submitted. **Please clarify what is meant by the term "guaranteed payments".**

Government Response: "Guaranteed payments" means funds shall be available in the Contractor's designated bank account one business day after the settlement file is submitted.

51. Will the successful offeror have an opportunity to negotiate the terms and conditions of the contract resulting from this RFP?

Government Response: The terms and conditions in the RFP are not negotiable

52. If there are terms and conditions in the RFP that we would like to negotiate with the IRS if selected as the successful offeror, may we include a list of exceptions with our proposal?

Government Response: The terms and conditions are not negotiable in the RFP. The Offeror(s) can list exceptions in their proposal.

53. Page, 62, 52.227-19, this clause gives the Government rights to use, duplicate or disclose any commercial Computer software delivered under this contract. We plan to propose our hosted, proprietary solution and would not expect that the Government should have these rights to our proprietary platform or the underlying code. In the case of a hosted solution, can the IRS clarify what type of computer software, if any, it would expect to have these rights to?

Government Response: The Government doesn't expect to have any rights to the Offeror(s) software.

54. Is the IRS willing to negotiate an additional contract term that protects the Contractor's rights to its pre-existing and independently developed intellectual property?

Government Response: The terms and conditions in the RFP are not negotiable; the Government is not acquiring the rights to the Contractors' pre-existing and independently developed property. Offeror(s) can submit other terms and conditions in the contract; however, the Government's terms and conditions are stated in the RFP.

55. Page 66, 52.209-9 - This clause indicates that the Contractor shall update information in FAPIIS by posting the required information in the Central Contractor Registration database (CCR). We understand that CCR has been replaced by SAM (System for Award Management). Can FAPIIS information be posted through SAM, or is there a different system that we will need to be registered with to comply with this clause?

Government Response: Yes. FAPIIS information can be updated by posting the required information in the SAM database.

The first subparagraph reads:

- a) The Contractor shall update the information in the Federal Awardee Performance and Integrity Information System (FAPIIS) on a semi-annual basis, throughout the life of the contract, by posting the required information in the System for Award Management via <https://www.acquisition.gov>.
56. Page 74, IR1052.239-9007, 7, Subcontracts - This section indicates that the Contractor shall incorporate this clause in all subcontracts, etc., where the subcontractor employees will require access, use or operation of IRS information technology systems. We use outside vendors in a staff augmentation role for services such as application development, maintenance and testing, or trouble-shooting of hardware or software. Over the life of the contract, some vendor employees may have access to IRS information residing on our systems. These vendors are used enterprise-wide, and it might not be possible for us to renegotiate vendor contracts to add additional clauses. However, these vendors are subject to our extensive vendor management program which includes written obligations for confidentiality and information security. Can these vendors be exempted from this specific requirement?

Government Response: The contract will be between the Government and the awardee; the contract will not be between the Government and the subcontractors. It is the responsibility of the awardee(s) to ensure the subcontractor(s) meet the terms and conditions in the contract. It is the responsibility of the Prime Contractor to negotiate terms and conditions with the subcontractors.

57. Page 75 – 79, IR1052.239-9004, IR1052.239-9005, IR1052.239-9006 -

These clauses are related to ratings that must be met by Contractors performing software development for the IRS. Do these requirements apply if the Contractor is providing a hosted solution? If so, what types of software development activities does the IRS anticipate that it will need from a Contractor providing a hosted solution?

Government Response: The same restrictions are applied to a hosting facility that applies to the prime contractor site. However, any contracting actions for services that involve contractor access to SBU information and/or information systems, by any contractor (individual or business concern) that entails software application development, maintenance, or related support service, regardless of dollar value, and irrespective of the duration of the contract, must include the core security controls, and CSOFT Core (C) + Software Application Development or Maintenance (SOFT) security controls.

Any outsourced service would not be authorized to have access to IRS data, without an approved background check. In addition the personnel security requirements for US citizens, etc. would continue to apply, as identified in Publication 4812.

58. Page 79-80, IRS Security Awareness Training Requirements - Can the IRS provide additional information to clarify the application of these requirements to Contractors providing a hosted payment solution? For example, in (a), “all contractor personnel” must complete one or more Information Protection briefings. Does this truly apply to “all contractor personnel” or only those with access to IRS information?

Also, in (iii) Contractor personnel providing services in categories such as cafeteria, landscaping, and janitorial, must complete Physical Security & Emergency Preparedness Training. If the Contractor is providing a hosted payment solution to the IRS, is the Contractor required to have its cafeteria, landscaping and janitorial personnel complete Physical Security & Emergency Preparedness Training?

Government Response: The following summarizes the current IRS training requirements: 1) All personnel who request background checks for employees who have access to IRS data are required to complete the Security Awareness and Unax briefings. This is not all contractors but personnel assigned to the IRS contract. 2) Regarding physical security, this briefing is only required for contractors who access IRS facilities. 3) There will be a new requirement to demonstrate completion of IT specialized training to employees who have IT and IT security related roles on the IRS contract.

59. Page 123, Section 3-Factor A - Please clarify that Mandatory Requirements include *C.2.1-C.2.51.5* plus the *(EIT) Accessibility Capability Statement* but does “**not**” need to contain a detailed description of deliverables.

Government Response: The offeror(s) shall adhere to Section 3-Factor A

60. Page 126, Section L.1.4.4.2 Volume II – Business Proposal - The offeror(s) shall submit an original and three copies of their pricing proposal. Each paper copy of the price proposal shall be provided in a three ring binder to facilitate potential page changes. Each binder shall be marked on the front with the solicitation number, offeror(s) name and labeled “Price Proposal.” Offeror(s) shall provide one (1) electronic copy. The offeror(s) shall provide six (6) copies of their business proposals.

Please clarify. The Business Proposal is currently broken into (3) sections. Per the requirement above, is the Agency requiring that the 3rd Section (Price Proposal) be separate from the first two, in its own separate binder? If this is the case, are you requiring (3) Price Proposals for each of the Business Proposals?

Additionally please clarify the total count for the *Business Proposal*, pg.121 states (1) Original and (3) copies while pg. 126 states (6) copies?

Government Response: The Price Proposal is a part of Volume II; the Business Proposal is a part of Volume II. The pricing information goes in Volume II, labeled Price Proposal. The business information goes in a separate binder labeled Business Proposal.

The Price Proposal and Business Volume II – the Price information goes in a separate binder. The Business information goes in a separate binder entitled Business Proposal, Volume II.

The Government wants 1 original copy and 3 copies of the Price Proposal and 1 original copy and 3 copies of the Business Proposal, a total of 6 copies.

61. Page 127, Section 2 – Financial Capability - The offeror(s) shall include its two most recently audited annual financial statements.

Due to the large volume of our financial data (over 200 pages for each year), would the Agency accept our financial statements on a CD/USB in lieu of the printed version?

Government Response: A Contractor’s audited annual financial statements should not exceed 30 pages. The Government is requesting two of the Offeror(s) most recently audited annual financial statements; the two should not exceed 60 pages.

62. Page, 129, Section L.7 - The RFP is currently due on a Federal holiday (Memorial Day). Is the Agency planning to extend the due date?

Government Response: The due date for receipt of proposals is extended to Wednesday, June 11, 2014, 3:00 PM, EST.

63. Please emphasize the difference between requirements C.2.4 and C.2.16. What is being asked that is different between the 2?

Government Response: C.2.4 addresses timeframe (e.g., 24-48 hours, etc.), whereas C.2.16 addresses the payment process in the event that funds settlement is delayed.

64. For C.2.19 and C.2.20 is the Contractor permitted to submit 1 transaction with separate transaction information included, in the place of 1 transaction for the amount of the obligation, and a 2nd transaction for the convenience fee charged by the Contractor?

Government Response: The Contractor shall provide a merchant descriptor on the taxpayer's card statement describing the tax payment amount as a unique line item (U.S. Treasury Tax Payment) and a unique line item describing the transaction fee amount and include the card authorization number.

65. Can a variable rate convenience fee be charged to debit card users?

Government Response: The Contractor shall submit their proposed debit card fees as stated in the RFP requirements.

66. C.2.14 – Does the vendor void the credit card payment if the consumer fails entity validation? Does the taxpayer get to correct the payment if the taxpayer fails entity validation? Can you explain the process for voiding debit and prepaid cards if the taxpayer fails entity validation? Does the consumer need to acknowledge the vendor informed them of entity validation failure/payment cancellation?

Government Response: The Government cannot answer these questions; the questions can be answered by Contractors, since "The Contractor shall" establish a process.

67. C.2.15 and C.2.16 - Please define the payment transaction date and the settlement date. Is the settlement date the date the credit card payment settles from the credit card payment network in the vendor's bank? Can you clarify the statement, "Contractor shall provide settled funds where the payment transaction date is less than 11 days prior to the settlement date (cards only)? Does this imply that the vendor does not void payments that fail entity validation and must provide settled funds within 11 days?

Government Response: For example, if today was August 1st, the Contractor would need to provide the settled funds for any payments scheduled to settle between today and August 10th. If the payment is scheduled with a settlement date of September 15th, the Contractor would not provide the settled funds until September 5th.

68. Is there a new estimate release date for the Final RFP? I really appreciate all of your assistance. Have a great day!

Government Response: The due date for receipt of proposals is extended to Wednesday, June 11, 2014, 3:00 PM, EST.

69. We are working on our formal questions, but wanted to quickly note that the documents on page 92 are not opening. I have validated with several sources that they were unable to open the PDF documents as well.

Government Response: Page 92, is now accessible to the public.

70. The RFP request a bid which uses a percentage rate for credit cards and a flat rate for debit cards. However, current Visa regulations allow for a variable debit fee. Will the IRS accept bids which include variable debit fees?

Government Response: The Contractor shall submit their proposed debit card fees in accordance with the RFP requirements

71. In an effort to determine average charges, can IRS provide estimated transaction counts and dollar volumes for both credit and debit transactions for each period?

Government Response: The Contractor shall adhere to Page 6 of the RFP.

72. Will the IRS obtain the Merchant IDs or will the respondent acquire the IDs?

Government Response: The Contractor shall adhere to Page 6 of the RFP.

73. Is the IRS looking for two separate transactions (1 for the fee amount, 1 for the convenience fee)?

Government Response: The Contractor shall provide a merchant descriptor on the taxpayer's card statement describing the tax payment amount as a unique line item (U.S. Treasury Tax Payment) and a unique line item describing the transaction fee amount and include the card authorization number.

74. Can the processor include on its site wording which would notify the taxpayer that chargeback of the convenience fee will result in a chargeback of the tax payment?

Government Response: The Contractor shall adhere to the chargeback deliverable in the RFP.

75. In an effort to reduce chargebacks of the convenience fee, will the processor be allowed to generate a chargeback on the tax payment if a taxpayer disputes the convenience fee?

Government Response: The Contractor shall adhere to the chargeback deliverable in the RFP.

76. Page 75, Section Titled IR1052.239-9004 Software Development Prerequisite (JUL 2012): Can you please confirm if it is a requirement to provide evidence of CMMI Level 2 as part of the RFP response due May 26th or whether this evidence would be required at the time of contract award?

Government Response: The contractor must demonstrate CMMI Level 2 compliance.

All solicitations, contracts, task orders, delivery orders, interagency agreements, and Blanket Purchase Agreements (BPA) for software development will include the requirement for software development contractors to have achieved CMMI® -SW or CMMI® -DEV Level 2 or higher as a condition for award. If the acquisition is for commercial-off-the-shelf (COTS) products and will not involve software development, including customization of the product code, then the CMMI® -SW or CMMI® -DEV requirement will not apply.

77. Is there a new estimate release date for the Final RFP? I really appreciate all of your assistance. Have a great day!

Government Response: The due date for receipt of proposals is extended to June 11, 2014, 3:00 PM, EST.

78. I just left a voicemail but wanted to follow up on my previous question i.e. the question submission deadline as the original release stated questions would be due 15 days before submission, which would be 5/9 (since Sunday is the actual 15th day).

Government Response: See Section L.1.2 Discussions and Correspondence. The Government accepted questions on the 15 day.

The Access Board's Final Rule implementing Section 508 EIT Accessibility Standards, 36 CFR Part 1194.2(b) states, "When procuring a product, each agency shall procure products which comply with the provisions in this part when such products are available in the commercial market place or when such products are developed in response to a Government solicitation.

The Government is mandated to comply with Section 508. The Contractor shall provide integration support for this PWS and shall achieve Section 508 compliance and maintain documentation demonstrating Section 508 compliance as stated in **section H.3 of this the RFP**.

To ensure the government understands the offeror(s) represented Section 508 level of compliance for each product and product category, the offeror shall submit a Capability Statement for each product being offered.

The IRS has established its Section 508 needs for this acquisition based on its ability to determine the impact a provision has on the taxpayer population who possess different types of disabilities (for example: vision, visual acuity, hearing (deaf or hard of hearing), speech or motor skills/coordination). The IRS has no way to ascertain the types of disabilities taxpayers may possess, the Standards are considered to be of equal importance and each identified provision within the individual Standard(s) are considered to be of equal importance.

The IRS reserves the right to hold discussions with an offeror(s) regarding Section 508 and may hold discussions during the normal discussion sessions with offerors on other issues.

The IRS may utilize Subject Matter Experts (SMEs) from the IRS' Information Resources Accessibility Program Office (IRAP). These SMEs may be either full-time employees or contractors that will advise the technical evaluation panel members on 508 issues and compliance. The SME's will not be members of the technical panel which is responsible for the actual evaluation process, but will provide advice on Section 508 matters to the technical evaluation panel members. Information relative to Section 508 compliance that is provided within the contents of the offeror(s) proposal will be provided to the SMEs for review to ensure appropriate advice on compliance matters for this acquisition. Any SME given access to offeror (s) Section 508 information will enter into non-disclosure agreements and, as appropriate conflict of interests and standards of conduct disclosures.

Should a contractor employee's services be utilized, that individual's company/organization too will be required to comply with the non-disclosure and conflict of interest agreements.

Offeror(s) shall demonstrate the capability and knowledge in developing web based applications that fully comply with the Section 508 applicable standards and provisions.

The Offeror(s) shall provide an *Electronic Information Technology* (EIT) Accessibility Capability Statement which will address the following:

(c) The following documentation shall be included in the offeror(s) business proposal:

(1) Standards Form 1449 (Solicitation, Offer and Award For Commercial Items) along with Acknowledgement of Amendment(s), if any, with an original signature of an individual who has the authority to bind the firm. Include DUNS number in block 17A. Original signature only required on the original copy.

(2) Price Schedule – Submit convenience fee for each option period in the Price/Pricing Section of the Business proposal. The first eight (8) months of the base year are the transition period.

(3) 52.212-3 - Complete all Offeror Representations and Certifications –

Commercial Items (see 3. Clauses section of this RFP), (4) Amendment(s) Acknowledgement(s)

It is not necessary to respond on a paragraph by paragraph basis except as required for clarity.

Section 2 – Financial Capability

The Contracting Officer will conduct a responsibility assessment of each offeror(s) being considered for award. The following information shall be submitted to assist the Contracting Officer in making a responsibility determination:

Sufficient information to demonstrate the financial capability to perform a contract of this size and duration. The offeror(s) shall provide information related to its current financial condition and the sources of all funds that will be used to finance contract performance. Indicate dollar amount, names and telephone numbers of banks and other sources of funds that may be contacted to verify the pertinent financial data. The offeror(s) shall include its two most recently audited annual financial statements.

Any interim financial statements such as quarterly reports shall also be provided if the annual statements are more than six months old. Interim financial reports may be unaudited.

Section 3 - Price Proposal

In this section, the offeror(s) shall provide a detailed price proposal in accordance with Section B, Contract Pricing (Convenience Fee) of this RFP. The offeror(s) shall submit an original and three copies of their pricing proposal. Each paper copy of the price proposal shall be provided in a three ring binder to facilitate potential page changes. Each binder shall be marked on the front with the solicitation number, offeror(s) name and labeled “Price Proposal.” Offeror(s) shall provide one (1) electronic copy. **Volume II should consist of one (1) original copy and three (3) copies of the Pricing Information, and one (1) original copy and three (3) copies of the Offeror(s) business information, a total of six (6) copies.**

Table 1.4**CREDIT/DEBIT ESTIMATED PAYMENT DATA (FY 2011)**

FORECAST		
FUTURE CONTRACT	Estimated Data	
	1	2
	Credit Cards Only (Dollars)	Debit Cards Only (Volume)
Base Year	\$2,607,367,314	1,248,057
OY1	\$5,015,667,844	2,614,039
OY2	\$5,515,667,844	3,646,039
OY3	\$6,015,667,844	4,368,038
OY4	\$6,515,667,844	4,710,039

NOTE: Projections for credit cards are calculated differently than debit cards because the convenience fee for credit cards is based on a percentage of the tax liability, whereas the convenience fee for debt cards is based on a fixed flat fee.

C. 1.5 CREDIT CARD PROGRAM REQUIREMENTS

The Contractor shall only submit proposals incorporating any changes to the contract, after the Annual Requirements Review Meeting (Kickoff) through June 30th of each year. Refer to chart in C.8 Schedule of Performance.

The Contractor shall be limited to the number of URLs displayed on IRS.gov (section *Pay Taxes by Credit or Debit Card*). No more than 2 URLs are to be promoted in the *e-pay* service providers and fees list, and no more than 1 URL in the integrated IRS *e-file* and *e-pay* list.

The IRS reserves the right to promote the Contractor(s) based on price, user experience, or other factors, or to pick a preferred provider each year and to utilize the preferred provider on IRS.gov and through the call centers.

The Contractor Phase-in period is from **1 May 2015 through 31 Dec 2015**. During this period, the Contractor shall adhere to C.2 Mandatory Business Requirements for implementation.